

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3953-01
Bill No.: HB 1566
Subject: Boards, Commissions, Committees, Councils: Elementary and Secondary Education
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$818,277)	\$644,163	\$662,517
Professional Educators' Standards and Practices Board	\$0	\$0	\$0
State School Moneys	\$30,750	\$31,519	\$32,623
Excellence in Education	\$34,340	\$35,198	\$36,078
Total Estimated Net Effect on <u>All</u> State Funds	(\$753,187)	\$710,880	\$731,218
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal	\$130,941	\$133,214	\$136,544
Total Estimated Net Effect on <u>All</u> Federal Funds	\$130,941	\$133,214	\$136,544
ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer, Office of State Courts Administrator, and the Office of Administration - Administrative Hearing Commission** stated that the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of Prosecution Services** indicated that any additional costs to prosecutors resulting from this proposal could be absorbed.

Officials from the **Office of State Public Defender** assumed that existing staff could provide representation for those cases where indigent persons were charged with crimes as a result of this proposed legislation.

Officials from the **Department of Corrections (DOC)** stated that the amount of fiscal impact was unknown, but assumed to be \$0, or a minimal amount that can be absorbed by DOC each year.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Professional Educators' Standards and Practices Board could require as many as approximately 24 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less the SOS's estimated cost of \$1,476 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the purposes and function of the teacher certification section in DESE, as well as related functions and services would be transferred to the newly created Professional Educators' Standards and Practices Board, under the umbrella of the Coordinating Board for Higher Education. These sections within the department carrying out these duties include the following:

ASSUMPTION (continued)

[A] Teacher certifications. This section evaluates, audits and enforces statutory regulations governing the admission and continued maintenance of professional educators licensure.

Activities include:

- (1) issuance of approximately 38,000 certificates (annually -- initial certification 5,500 per year, out-of-state applications 4,500 per year, renewal requests 8,000 per year, substitute certification 20,000 per year);
- (2) technical assistance to individuals, district personnel, teacher preparation institutions and others (annual average number of phone contacts per day is 550; evaluations of various types, e.g., transcript analyses, school district requests, etc. 60,000 per year);
- (3) maintenance of certification records (data-base has approximately 250,000 records);
- (4) provide staff resources and support with Missouri Advisory Council of Certification for Educators(MACCE) (5 meetings per year);

[B] Teacher education program approval This section audits and enforces regulations regarding standards and quality of teacher preparation programs in universities and colleges. These include the following activities:

- (1) site visits for teacher education program review and evaluation purposes (10 per year average, note: evaluation team training also must occur);
- (2) review of proposals of new teacher education programs (30 - 40 per year);
- (3) review of proposed modifications to established programs (30 - 40 per year);
- (4) Missouri Standards for Teacher Education Programs Work Group meetings (1-2 per year);
- (5) Education conferences and meetings (with deans and teacher education department chairs, MACCE, national meetings (11-12 per year)
- (6) Teacher candidate related test result validation, compilation, reporting and technical assistance to individuals (C-base exam, Praxis exams);
- (7) Analysis and evaluation of where programs are in meeting MOSTEP standards (base-line report, follow-up analysis);
- (8) Implementation of licensure requirement changes resulting from statutory changes;
- (9) Technical assistance with colleges and universities;
- (10) Other reporting (e.g, Teacher education program profiles report; Annual report on quality of teacher preparation programs (federal requirement));

[C] Adult and vocational education program certification addresses certification of teachers for vocational programs in agriculture, business, marketing, trade and industrial sciences and health sciences, and family and consumer sciences. Approximately 1,000 to 1,200 renewals, inquiries and certification applications are processed by this division. Work experience as well as course work is considered in analyzing these renewals, inquiries and applications.

ASSUMPTION (continued)

[D] Professional conduct and investigation section. This section investigates Missouri teaching

certificate holders who are accused, charged or convicted of criminal or unethical behavior. Section activities include the following: process background checks (26,000); process fingerprints (2,800); case referrals to the Attorney General's office (83); hearings (29); automatic revocation of licenses to teach (25); DFS background checks (6,500); out-of-state license verifications (150).

(E) Leadership academy coordinates administrator assessments which deals with licensure of administrators. Most of the testing is done by Educational Testing Services (ETS). Activities include building level assessments, e.g., principals (500-600 per year) and superintendent level assessments (60-80 per year).

FY 2003 Estimated Potential Savings (PS & EE):

	<u>Teacher Certific.</u>	<u>Prof. Conduct & Investig</u>	<u>Teacher Education Program Review</u>	<u>Administrator Assessment</u>	<u>Vocational Certification</u>	<u>Totals</u>
GR	\$360,541	\$190,564	\$ 91,382	\$10,000	\$ 66,593	\$719,080
Fed	\$ 5,200	\$ 4,892	\$ 88,770	--	\$ 28,886	\$127,748
Other	<u>\$ 30,000</u>	<u>\$ 33,502</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>\$ 63,502</u>
Totals:	\$395,741	\$228,958	\$180,152	\$10,000	\$95,479	\$910,330

Assumption 1: 3% inflation factor was assumed in estimated savings for FY 2004 and FY 2005.

Assumption 2: It is assumed CBHE staffing requirements would reflect largely these amounts.

Potential Costs to DESE:

The teacher certification section collects approximately \$90,000 per year in fees from out-of-state applicants paying \$25 for a license to teach. Currently, this money is deposited into the General Revenue Fund. These fees would no longer be collected.

DESE officials assume there would be an information technology (IT) impact associated with moving the teacher certification data-base to a new system. Estimated costs to CBHE would depend on how they implement the system. If CBHE would purchase state standard hardware and software to run the new system, then DESE could move the database over with minimal impact to DESE. The current legacy system could not run in any other agency without changes. The legacy hardware and software are not available.

If DESE were to interface with other systems, it would require \$116,800 to develop the interfaces (plus 8% project development fee of \$9,344 to the Office of Information Technology).

ASSUMPTION (continued)

If CBHE were to charge DESE for access to the teacher certification database then there could

be significant costs to DESE for this as well. The specific impact would depend on CBHE-DESE arrangements. **Oversight** has assumed DESE and CBHE could enter into a Memorandum of Understanding to share data at no charge.

Officials from the **Coordinating Board for Higher Education** assumed that the duties required of this board will require 7 FTE: 1 executive director at the senior associate level to oversee the general operations and staff, 4 FTE at the program specialist level to review applications, and 2 FTE at the research associate level responsible for evaluation of teacher training programs. The determine costs of the duties of board, CBH used previous fiscal note information, with no inflation factor. It is assumed that there would be an IT impact associated with moving the teacher certification data base to a new system with a projects cost of \$364,000 (plus 8% project development fee of \$29,120 to the Office of Information technology). It is noted that this is only the recoding cost, and does not include other substantial front-end moneys that would be required for CBH to get to where CHB could support the program, determine a fee structure, and begin to receive revenues.

CBH assumes the following costs, based on information provided by DESE:

IT - Teacher certification base	\$ 364,000
IT - Project development fee	\$ 29,120
First fiscal year of teacher certification costs	\$ 395,741
Professional conduct and investigation	\$ 228,958
Teacher education program review	\$ 180,152
Administrator assessment	\$ 10,000
Vocational certification	\$ 95,479
	<u>\$1,303,450</u>

Subsequent years of the program would not require the recoding task, and are inflated at a rate of 3% per year.

Oversight Division note that the fees would not cover the costs in the Professional Educators' Standards and Practices Board Fund until FY 2004.

FISCAL IMPACT - State Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

GENERAL REVENUE FUND

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Savings-Department of Elementary and Secondary Education (DESE)</u>			
Teacher Certification	\$360,541	\$371,357	\$382,498
Professional Conduct and Investigation	\$190,564	\$196,281	\$202,169
Teacher Education Program Review	\$91,382	\$94,123	\$96,947
Administrator Assessment	\$10,000	\$10,300	\$10,609
Vocational Certification	<u>\$66,593</u>	<u>\$68,591</u>	<u>\$70,649</u>
Total <u>Savings-DESE</u>	\$719,080	\$740,652	\$762,872
<u>Cost-Department of Elementary and Secondary Education (DESE)</u>			
Interfacing	(\$126,144)	(\$20,800)	(\$21,424)
<u>Cost-General Revenue</u>			
Appropriation to Professional Educators' Standards and Practices Board	(\$1,303,450)	\$0	\$0
<u>Loss-Department of Elementary and Secondary Education (DESE)</u>			
Fees from Out-of-State Applicants	<u>(\$90,000)</u>	<u>(\$90,000)</u>	<u>(\$90,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$800,514)</u>	<u>\$629,852</u>	<u>\$651,448</u>
STATE SCHOOL MONEYS FUND			
<u>Savings-Department of Elementary and Secondary Education (DESE)</u>			
Teacher Certification	<u>\$30,000</u>	<u>\$30,900</u>	<u>\$31,827</u>
EXCELLENCE IN EDUCATION FUND			
<u>Savings-Department of Elementary and Secondary Education (DESE)</u>			
Professional Conduct and Investigation	<u>\$33,502</u>	<u>\$34,507</u>	<u>\$35,542</u>
PROFESSIONAL EDUCATORS' STANDARDS AND PRACTICES BOARD FUND			

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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Income-Department of Revenue

Fees	\$0	\$937,640	\$965,770
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Income-Coordinating Board For Higher Education (CBHE)

Appropriation from General Revenue	\$1,303,450	\$0	\$0
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Cost-Coordinating Board For Higher Education (CBHE)

Recoding	(\$393,120)	\$0	\$0
Teacher Certification	(\$395,741)	(\$407,613)	(\$419,842)
Professional Conduct and Investigation	(\$228,958)	(\$235,827)	(\$242,902)
Teacher Education Program Review	(\$180,152)	(\$185,557)	(\$191,123)
Administrator Assessment	(\$10,000)	(\$10,300)	(\$10,609)
Vocational Certification	(\$95,479)	(\$98,343)	(\$101,294)
	<u>(\$1,303,450)</u>	<u>(\$937,640)</u>	<u>(\$965,770)</u>

**ESTIMATED NET EFFECT ON
 PROFESSIONAL EDUCATORS'
 STANDARDS AND PRACTICES
 BOARD FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL FUNDS

Savings - Department of Elementary and Secondary Education (DESE)

Teacher Certification	\$5,200	\$5,356	\$5,517
Professional Conduct and Investigation	\$4,892	\$5,039	\$5,190
Teacher Education Program Review	\$88,770	\$91,433	\$94,176
Vocational Certification	<u>\$28,886</u>	<u>\$29,753</u>	<u>\$30,645</u>
Total <u>Savings-DESE</u>	<u><u>\$127,748</u></u>	<u><u>\$131,581</u></u>	<u><u>\$135,528</u></u>

FISCAL IMPACT - Local Government

FY 2003 (10 Mo.)	FY 2004	FY 2005
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposed legislation extensively revises the statutes concerning teacher certification, removing the power of the State Board of Education to license teachers and placing it in a newly created Board of Professional Educators' Standards and Practices within the Coordinating Board for Higher Education. The 19-member board will consist of nine teachers, three college faculty members from teacher education programs, three school administrators, one district school board member, one public representative, and the commissioners of Elementary and Secondary Education and Higher Education, ex officio.

The proposal recognizes teaching as a profession and sets out the conditions for licensure, which include age, health, and character requirements. Existing administrative rules on certification are repealed 60 days after the effective date of the bill, and a separate procedure for enacting board rules is established. Existing licenses are continued. Causes for denial or revocation are established, and procedures by which the board may initiate disciplinary action are provided.

The Administrative Hearing Commission will hold hearings on disciplinary actions. Applicants denied licenses are entitled to a hearing before the whole board. Teaching without a valid license is a class A misdemeanor; using fraud to secure a license is a class D felony.

The board also has exclusive authority to approve teacher preparation programs; institutions whose programs are denied approval have a right to appeal the denial. Certain board actions may be delegated to one or more members or staff. Fees associated with certification must be set to cover the cost of administering the certification statutes and will be deposited in the Professional Educators' Standards and Practices Board Fund.

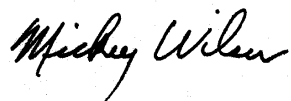
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Coordinating Board for Higher Education
Office Secretary of State
Administrative Rules Division
Office Administration

LMD:LR:OD (12/01)

Administrative Hearing Commission
Department of Corrections
Office of Courts Administrator
Office of Prosecution Services
Office of State Public Defender
Office of State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
February 18, 2002